

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number _____

Meeting Type: Regular

Meeting Date: 9/13/2012

Action Requested By:
Human Services

Agenda Item Type
Resolution

Subject Matter:

Workers Compensation Excess Loss Insurance

Exact Wording for the Agenda:

Resolution authorizing the Mayor to execute an application for the City's excess worker's compensation insurance with Safety National Casualty Corporation for the coverage period October 1, 2012 through September 30, 2013.

Note: If amendment, please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: Select...

Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost:

Budgeted Item: Select...

MAYOR RECOMMENDS OR CONCURS: Select...

Department Head: 

Date: 9/7/2012

ROUTING SLIP CONTRACTS AND AGREEMENTS

Originating Department: Human Resources

Council Meeting Date: 9/13/2012

Department Contact: Deloise Manning

Phone # 256-427-5241

Contract or Agreement: Safety National Casualty Corporation

Document Name: Application for Application for Excess Worker's Compensation

City Obligation Amount: 186,845

Total Project Budget:

Uncommitted Account Balance:

Account Number:

Procurement Agreements

<u>Select...</u>	<u>Select...</u>
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Grant-Funded Agreements

<u>Select...</u>	Grant Name: <u></u>
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Department	Signature	Date
1) Originating	<i>Dylan K. Thomas</i>	9/7/12
2) Legal	<i>W. C. Carter</i>	9/10/12
3) Finance	<i>Ph J</i>	9/11/12
4) Originating		
5) Copy Distribution		
a. Mayor's office (1 copies)		
b. Clerk-Treasurer (Original & 2 copies)		

RESOLUTION NO. 12-_____

BE IT RESOLVED, by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized to execute the application for the City's excess workers compensation insurance with Safety National Casualty Corporation, on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said application is substantially in words and figures similar to the certain document attached hereto and identified as "Application for Excess Worker's Compensation" consisting of nineteen (19) pages and the date of September 13, 2012 appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville, Alabama.

ADOPTED this the 13th day of September, 2012.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 13th day of September, 2012.

Mayor of the City of
Huntsville, Alabama



BRENTWOOD REINSURANCE INTERMEDIARIES, INC.

**APPLICATION FOR EXCESS WORKERS
COMPENSATION - INDIVIDUAL**

APPLICANT'S NAME: City of Huntsville, Alabama

(Exact name to appear on contract)

Address: P.O. Box 308 Huntsville, AL 35804-0308

FEIN# 63-6001296 **Quote need by date:** _____

States in which the applicant has qualified for self insurance: Alabama

How long has applicant been self insured: _____

Description of Operations: Municipality

Describe any changes in operations that have occurred or are planned: N/A

PRESENT PROGRAM:

Carrier: Safety National Casualty Corporation **Expiration:** 10/1/2012
Specific Limits: Statutory **Retention:** \$500K/\$650K **Employers' Liability Limit:** \$1,000,000
Aggregate Limit: N/A **Aggregate Retention:** N/A
Endorsements: Voluntary Compensation Endorsement - Premium Delineation

DESIRED PROGRAM:

Carrier: Safety National Casualty Corporation **Expiration:** 10/01/2013
Specific Limits: Statutory **Retention:** \$500K/\$650K **Employers' Liability Limit:** \$1,000,000
Aggregate Limit: N/A **Aggregate Retention:** N/A
Endorsements: Voluntary Compensation Endorsement-Premium Delineation

INSURED'S CLAIM MANAGEMENT:

Name of Insured Claims Contact: Cynthia Lehman

Address: P.O. Box 308 Huntsville, AL 35804-0308 **Telephone:** 256-427-5244

CLAIMS ADMINISTRATION:

Name of Claims Provider: Brentwood Services Administrators, Inc.

Name of Claims Manager: Eryn Crawford

Address: P.O. Box 1125, Brentwood, TN 37024-1125 **Telephone:** 615-263-1300

Services Provided: Claims administration

How long has Company held contract: Since 7/1/2008

President of the City Council of the
City of Huntsville, Alabama
Date: _____

APPLICANT'S NAME: City of Huntsville, Alabama

ADDITIONAL EXPOSURE INFORMATION:

If there are any "YES" responses to the following, please provide a detailed description of exposure.

YES	NO	
X		Are there any occupational disease exposures involved in the applicant's operation?
X		Are there any exposures to Human Immunodeficiency Virus (HIV) or have any cases of AIDS related complex (ARC) been diagnosed within the past five years?
	X	Has the applicant had any OSHA or State OSHA violations within the past 5 years?
	X	Are any employees subject to the Longshoremen and Harborworker's Act?
	X	Are any employees subject to the Jones Act?
	X	Are any employees subject to the Federal Employers Liability Act?
X		Do the operations of the applicant involve volunteer labor or leased employee?
X		Does the applicant have any foreign operations or employees who travel to foreign Countries? (Possibly mayor traveling one to two weeks a year)
X		Does the applicant perform any underground, subaqueous or tunneling operations? (Sewer; street operations)
X		Do the operations of the applicant involve exposure to heights?
X		Is the applicant engaged in the production, refining, distribution or storage of explosives or explosive substances? (Stored at Cemetery Dept)
X		Do the operations of the applicant involve exposure to toxic chemicals?
X		Is the applicant engaged in manufacture, production, refining, storage, distribution or transportation of gasses, gasoline or flammables? (Fuel for equipment)
	X	Has any plant or facility closed in the past 5 years?
X		Does the applicant have any exposure to burns?
	X	Has the applicant been cancelled or non-renewed in the past 5 years?
X		Does the applicant own or lease commercial autos? (If yes, complete the Supplemental Application)
	X	Does the applicant own, lease or charter aircraft? (If yes, complete the Supplemental Application)
	X	Does the applicant own, lease or charter watercraft? (If yes, complete the Supplemental Application)

APPLICANT'S NAME: City of Huntsville, Alabama

INTERNAL CLAIMS CONTROL:

1. Explain your claim reporting guidelines to the TPA and how claims are reported (i.e. timeframe, reporting mechanism). We report accidents and injuries according to Alabama Workers' Compensation Law within five (5) days of the accident. Reporting is done by e-mail.

2. Describe your staffing for internal claims administration. What are the related responsibilities and duties? Claims Technician: Receives First Reports of Injury; liaison between treating physician and injured employee; consults with TPA on management of claims; directs injured employee to treating physician; communicates with physician on treatment recommendations; submits narrative, doctor's notes, and invoices for treatment to TPA; distributes temporary total disability checks to employees on loss time; follows established protocols and works with the City's on-site nurse to coordinate referrals to treating physician.

3. Explain what PPO or bill reduction services you utilize. Our TPA, Brentwood, sends bills to MCMC for bill utilization.

4. Explain how initial medical attention and direction is given to the injured worker. The City's Employee Health Clinic is the initial point of contact for all employees who are injured on the job. The on-site nurse, who is a LPN, directs the care of all injured employees. If the injury is minor and can be treated at the City Clinic, either the nurse will provide treatment or one of the City Clinic's physicians will treat the injury. If the injury is more serious, the nurse would refer the employee to the City's authorized treating physician at Occupational Health Group (OHG). The physicians at OHG specialize in occupational health medicine.

5. Describe your frequency of communication with your TPA and what issues are covered. The City's claims technician communicates with the TPA daily. Issues that are covered include temporary total disability payments, medical bills, physician brief reports, medical referrals, and any other concerns that need to be addressed.

6. Describe your return to work program from a departmental and organizational standpoint. Based on the authorized treating physician's opinion, employees who have been out of work on workers' compensation may return to work either full duty with no restrictions, or be placed on restricted duty. If the department has work that can accommodate the employee's restrictions, that employee is allowed to work within those guidelines. If there is no work within the department that can accommodate the employee's restrictions, and the employee has reached maximum medical improvement (MMI), the employee may be sent home and can use accrued leave until such time as a determination can be made about the employee's work status.

LOSS CONTROL INFORMATION:

YES NO

X		Pre-employment physical performed?
X		Documentation of pre-existing injuries and/or medical conditions?
X		Substance abuse testing performed?
X		Return to work programs in place?
X		Is there a Formal Safety Program in place?

APPLICANT'S NAME: City of Huntsville, Alabama

LOSS PREVENTION INFORMATION CONTINUED:

1. Do you have a dedicated staff (including safety committees) to handle safety initiatives, and if so, what are their responsibilities. Department heads have the responsibility of ensuring compliance with all safety policies and procedures pursuant to the respective departments.

2. Describe your safety program, including employee involvement and management commitment. It is the policy of The City of Huntsville to provide employees with a safe working environment. All employees should maintain an attitude toward safety and take precautions to prevent accidents.

3. Explain your accident reporting and investigative procedures. Accidents are reported to the State of Alabama within the five day reporting period, and investigate procedures are done by individual departments if it appears a safety issue was violated and suspicious claims are investigated by our TPA, Brentwood.

4. Describe your employee safety-training program. Each City department is responsible for safety indoctrination, and may provide additional training if necessary.

5. Over the last 5 years, what major loss prevention initiatives have you instituted that you feel have had a significant effect on reducing loss exposure or safety culture. (Please indicate when these initiatives were incorporated into your existing processes.) In 2008 The City's Employee Health Clinic began giving classes on weight loss, smoking cessation classes, they began a program for cardiac screenings, blood pressure screening, cholesterol screenings, and glucose monitoring believing that a healthy employee is less likely to injure themselves and, when injured, recovers at a faster pace.

6. Do you have any incentive programs for management and employees incorporating safety and program results? We have a Safety Incentive Awards Program. Please see attached for a copy of the program.

Safety Incentive Awards Program

Objective

The Safety Incentive Awards Program is established for the purpose of promoting safety awareness, injury/accident prevention, and safety recognition within the workforce on a city-wide and departmental basis, annually and quarterly respectively.

Goals

The goals of this program are to instill within each employee the responsibility of safety within the work environment and reward employees who perform their job tasks in a safe manner. In addition, the program shall serve a public purpose in that it is expected to significantly reduce costs or improve public services.

Definitions

(A) Low Risk Classification

An employee whose position requires minimal or no exposure to potential hazardous environments or substances;

(B) Medium Risk Classification

An employee whose position requires intermittent or occasional work in potentially hazardous environments or with hazardous substances; and

(C) High Risk Classification

An employee whose position requires direct work in potentially hazardous environments or with hazardous substances on a routine basis.

Annual Recognition Programs

(A) The annual Employee Safety Recognition and Incentive Program shall provide monetary awards to regular, full-time and regular, part-time employees based upon their high, medium or low risk classification. Eligible regular, full-time employees shall receive the following annual monetary awards based upon their risk classification:

\$100 - High Risk Classification
\$75 - Medium Risk Classification
\$50 - Low Risk Classification

Eligible regular, part-time employees shall receive one-half of the above annual monetary awards based upon their designated risk classification.

(B) The "SAFE" Recognition Program shall recognize regular, full-time and regular, part-time employees who remain injury and/or accident free for the entire fiscal year. Eligible employees, who remain injury and/or accident free at the conclusion of each quarter of the fiscal year, shall be eligible for participation in the program.

The letter "S" will be awarded for the 1st fiscal quarter, the letter "A" for the 2nd fiscal quarter, the letter "F" for the 3rd fiscal quarter and the letter "E" for the 4th fiscal quarter to those employees that meet the eligibility criteria. The fiscal quarters shall be defined as follows:

October - December	"S"
January - March	"A"
April - June	"F"
July - September	"E"

Employees receiving all of the letters for each fiscal quarter shall be eligible for grand prize drawings, as determined by the Administration. Employees must be employed by the City of Huntsville for the entire fiscal year to be eligible for participation in the "SAFE" Recognition Program.

Program Criteria

All employees, whether full-time or part-time, excluding Elected Officials, Appointed Officials and Department Heads, will be eligible for participation in the Safety Incentive Awards Program.

Participation in the annual awards is restricted to employees, other than temporary employees, who have been employed the preceding full year and who have worked at least fifty (50%) of the work hours in the preceding year.

For quarterly awards, employees must have been employed for the entire quarter and must have performed normal work duties for at least fifty (50%) of the work hours during the quarter. Temporary employees are only eligible for quarterly awards.

No Safety Incentive Awards will be given if Actual Losses exceed total Projected (Budgetary) Losses for the fiscal year.

Eligibility Criteria

Low Risk:

Employee does not have an at-fault "Loss of Time" injury for the timeframe established for the quarterly and/or safety incentive awards.

Employee must not have a positive drug or alcohol test.

Medium Risk:

Employee does not have an at-fault "Loss of Time" injury for the timeframe established for the quarterly and/or annual safety incentive awards.

Employee does not have or cause a preventable accident, either equipment damage or bodily injury, through their own negligence or carelessness.

Employee eligibility for safety incentive awards shall be determined at the discretion of the Department Head.

Employee must not have a positive drug or alcohol test.

High Risk:

Employee does not have an at-fault "Loss of Time" injury for the timeframe established for the quarterly and/or annual safety incentive awards.

Employee does not have or cause a preventable accident, either equipment damage or bodily injury, through their own negligence or carelessness.

Employee eligibility for safety incentive awards shall be determined at the discretion of the Department Head.

Employee must not have a positive drug or alcohol test.

Safety Incentive Awards Program

Tommy Battle,
Mayor



HUNTSVILLE
The Star of Alabama

Telephone: 256.427.5240

Fax: 256.427.5245

CITY OF HUNTSVILLE

Human Resources Department
308 Fountain Circle
Huntsville, AL 35801
Telephone: 256.427.5240
Fax: 256.427.5245

APPLICANT'S NAME: City of Huntsville, Alabama

RATING INFORMATION:

State	Code No.	Classification	No. of Employees	Estimated Gross Annual Payroll
AL	0042	Landscape Gardening & Drivers	242	4,194,516.58
AL	3064	Sign Mfg – Metal or Neon	1	48,236.24
AL	3365	Welding or Cutting NOC & Drivers	1	36,271.72
AL	5506	Street or Road Construction	66	2,062,710.57
AL	5606	Contractor – Project Manager	1	81,013.52
AL	6306	Sewer Construction All Operations	41	1,913,743.64
AL	6325	Conduit Const-Cable/Wire & Drivers	11	517,681.22
AL	7382	Bus Company	53	1,159,247.37
AL	7580	Sewage Disposal Plant Oper	53	2,954,337.25
AL	7590	Garbage Works	102	3,898,757.22
AL	7704	Firefighters & Drivers	345	19,364,888.54
AL	7720	Police Officers & Drivers	534	24,287,358.84
AL	8380	Auto Service/Repair Ctr & Drivers	29	1,272,338.65
AL	8392	Auto Storage Garage/Parking & Driv	4	160,157.49
AL	8601	Architect or Engineer	36	2,302,334.79
AL	8742	Salespersons, Collectors, Messengers	22	170,002.77
AL	8810	Clerical Office Employees NOC	523	22,086,228.86
AL	8820	Attorney-All Employees	10	911,458.82
AL	8831	Hospital: Veterinary & Drivers	21	843,367.73
AL	9015	Building-Operation by Owner/Lessee	58	1,874,397.42
AL	9101	College or School-All Other Emps	9	55,636.60
AL	9102	Park NOC-All Employees & Drivers	134	3,541,779.97
AL	9220	Cemetery Operation & Drivers	24	666,075.85
AL	9402	Street Cleaning & Drivers	30	1,366,088.74
AL	9403	Garbage, Ashes, Refuse & Drivers	22	724,154.30
AL	9410	Municipal Employee NOC	86	3,769,587.92
AL	9554	Sign Erection or Removal	17	680,189.59
TOTAL			2,475	100,942,562.21

VEHICLE SUPPLEMENTAL APPLICATION

1.	Number of owned or leased vehicles	1,455
	Passenger Cars	79
	Police Department Cars	425
	Vans/Trucks	609
	Police Department Vans/Trucks	7
	Tractors	75
	Fire Department Cars	20
	Trailers	180
	Fire Department Vans/Trucks	41
	Shuttle Buses	19

2. Each department has their own vehicle and it is up to each department to determine who in that department is allowed access to their vehicle.

Number of Police Department Drivers	408
Number of Fire Department Drivers	104

3. The City does not have any Owner-Operators.
4. On call staff and police officers who live within Madison County are allowed to drive their vehicles home.
5. The City of Huntsville is a municipality and the operations here are those to ensure the upkeep of the city. Landscaping, paving, sewer, water pollution control, garbage pick-up, fire and rescue, police, traffic engineering, and the support staff to help carry out these functions.
6. The average radius of travel is 20 miles with a maximum radius of 100 miles. Trips are confined to the State of Alabama. Throughout the city there is daily travel and the number of people per unit varies by department with a maximum of 4-6.
7. The city does not hold intrastate and/or interstate licenses to haul for others.
8. The city does not backhaul any goods for others.

10/1/2012 to 10/1/2013

LIST OF ALL LOCATIONS

City of Huntsville, Alabama

10/1/2012 to 10/1/2013

LIST OF ALL LOCATIONS

Member Name	Location Address	City	State	Zip	Payroll	# of Emps	# of Shifts	Floors Occupied (2nd, 5th, etc)	# of Stories	Hours of Operation	L # Emps. per Floor	M # Emps on Shift 1	N # of Emps on Shift 2	O # of Emps on Shift 3	P Building Construction	Q Year Built	R Year of Upgrade
Sanitation Headquarters	4205 East Schrimsher	Huntsville	AL	35805		99	1	1	1								
General Services Maint	615 Washington Street	Huntsville	AL	35801		18	1	1	1								
WPC Maintenance	1800 Vermont Road	Huntsville	AL	35802		97	1	1	1								
Public Works North Mice.	2834 Jordan Lane	Huntsville	AL	35805		25	1	1	1								
Landscape Management North Mice.	3147 Lodge Road	Huntsville	AL	35805		30	1	1	1								
Landscape Management North Mice.	3143-D Lodge Road	Huntsville	AL	35805		58	1	1	1								
Green Team/Work Release	704 Fiber Street	Huntsville	AL	35801		18	1	1	1								
Landscape (from Lodge)	2733 Johnson Road	Huntsville	AL	35805		30	1	1	1								
Public Works Shop/Admin	2739 Johnson Road	Huntsville	AL	35804		16	1	2	2								
Monte Sano Sewer Maintenance	1008 Monte Sano Boulevard	Huntsville	AL	35801		2	1	1	1								
General Services, Janitorial	615 Washington Street	Huntsville	AL	35801		41	1	1	1								
Landscape/Railroad Spur	418 Church Street	Huntsville	AL	35801		15	1	1	1								
Monte Kwanis Sportsplex	3590 Patton Road	Huntsville	AL	35805		15	1	2	2								
Jim Williams Aquatic Center	903 Martine Street	Huntsville	AL	35801		18	1	1	1								
Braham Spring Natatorium	2213 Drake Avenue	Huntsville	AL	35805		26	1	1	1								
Westside Center	125 Earl Street	Huntsville	AL	35805		7	1	1	1								
Lakewood Center	3401 Kenwood Drive	Huntsville	AL	35810		4	1	1	1								
Public Safety Training Facility	3011 Sparkman Drive	Huntsville	AL	35810		4	1	2	2								
Calvary Hill Center	2900 Fairbanks Avenue	Huntsville	AL	35810		6	1	1	1								
Scruggs Center	600 Davis Circle	Huntsville	AL	35801		6	1	1	1								
Braham Spring Rec Center	3770 Ivy Avenue	Huntsville	AL	35805		11	1	2	2								
Westside Gym	125 Earl Street	Huntsville	AL	35805		7	1	1	1								
Jaycee Building	2180 Airport Road	Huntsville	AL	35801		4	1	1	1								
Dr. Richard Showers Pool	4600 Blue Spring Road	Huntsville	AL	35810		16	1	1	1								
Max Luther Rec Center	301 Max Luther Drive	Huntsville	AL	35811		5	1	2	2								
Optimist Park Rec Center	709 Oakwood Avenue	Huntsville	AL	35811		6	1	1	1								
Farm Bell Rec Center	107-A Sanders Drive	Huntsville	AL	35802		7	1	1	1								
Max Luther Learning Center	301 Max Luther Drive	Huntsville	AL	35811		5	1	2	2								
WPC Plants 1 & 3	1800 Vermont Road	Huntsville	AL	35802		7	2	1	1								
Communications	911 Center	Huntsville	AL	35802		3	3	1	1								
Landscape Athletics	2413 9th Avenue	Huntsville	AL	35810		3	1	1	1								
Berachah Gym	3011 B Sparkman Drive	Huntsville	AL	35801		3	1	1	1								
Challenger Gym	13555 Chaney Thompson Rd	Huntsville	AL	35803		3	1	1	1								
Memmack Soccer Complex	3501 Triana Blvd	Huntsville	AL	35805		3	1	1	1								
Williams Gym	155 B Barren Fork	Huntsville	AL	35824		3	1	1	1								
WPC Plant 4	733 Landers Circle	Madison	AL	35758		3	1	1	1								
WPC Plant 2	13331 S Memorial Pkwy	Huntsville	AL	35803		3	1	1	1								
WPC Plant 5	909 West Taylor Road	Ryland	AL	35767		3	1	1	1								
WPC Plant 6	260 Roundbar Drive	Brownsboro	AL	35741		3	1	1	1								
Burnitt Museum	3101 Burnitt Drive	Huntsville	AL	35801		3	1	1	1								
WPC New Construction	1800 Vermont Road	Huntsville	AL	35801		3	1	1	1								

APPLICANT'S NAME: City of Huntsville, Alabama

Completion of this application creates no obligation upon the applicant to accept insurance or upon the company to offer such insurance; however, in the event that such is accepted by the applicant or that it is issued by the company, this application will form the basis for that acceptance and issuance.

Florida *Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.*

New Jersey Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New York *Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.*

Louisiana *Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.*

Other States *Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing false or deceptive statement is guilty of insurance fraud.*

Applicant: City of Huntsville Name: Tommy Battle
Address: 308 Fountain Cir., Huntsville, AL 35801 Title: Mayor
Date: _____ Signature: _____

BrentRê

BRENTWOOD REINSURANCE INTERMEDIARIES

P.O. BOX 1125
Brentwood, TN 37024-1125
Phone: 615.263.1300
Fax: 615.263.1305
www.brentre.com

CONFIRMATION OF COVERAGE

NAME INSURED EMPLOYER: City of Huntsville
ADDRESS: P.O. Box 308, Huntsville, AL 35804
INSURER: Safety National Casualty Corporation
POLICY NUMBER: TBD
TYPE OF INSURANCE: Specific Excess Workers' Compensation and
Employers' Liability Insurance
LOCATION(S): Alabama
POLICY PERIOD: October 1, 2012 to October 1, 2013

Self-Insured Retention Per Occurrence for Police Officers	\$750,000
Self-Insured Retention Per Occurrence for Firefighters	\$750,000
Self-Insured Retention Per Occurrence for All Others	\$600,000
Maximum Limit of Indemnity Per Occurrence	Statutory
Employers' Liability Maximum Limit of Indemnity Per Occurrence	\$1,000,000
Premium Rate:	0.1851 per \$100 of Payroll
Minimum Premium for Liability Period:	\$177,503
Deposit Premium for the Payroll Reporting Period:	\$186,845

This Confirmation of Coverage is issued with the authority of the insurer(s) and is issued by the undersigned without any liability whatsoever as an insurer. This Confirmation of Coverage is effective October 1, 2012 to policy issuance and is subject to all the terms and conditions of, and shall be automatically terminated and superseded by, the Excess Workers' Compensation Agreement and Employers' Liability Insurance Agreement when issued by Safety National Casualty Corporation.

ISSUED AT BRENTWOOD, TN.

SIGNED: _____

DATE: _____

NAME/TITLE: _____

ACCEPTED ON BEHALF OF:
CITY OF HUNTSVILLE

SIGNED: _____

DATE: _____

NAME/TITLE: Tommy Battle, Mayor of the City of Huntsville, Alabama



A member of the Tokio Marine Group

1832 Schuetz Road
St Louis, MO 63146-3540
Telephone (888) 995-5300
(314) 995-5300
Fax (314) 995-3843

CERTIFICATE OF INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICY LISTED BELOW.

NAME AND ADDRESS OF CERTIFICATE HOLDER:

State of Alabama
Department of Industrial Relations
Workmen's Comp Div, Industrial Relations Building
Montgomery, Alabama 36130

This is to certify that the policy of insurance listed below has been issued to the insured named below and is in force at this time. Notwithstanding any requirement, term or condition of any contract or any other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Should any of the policy described herein be canceled before expiration date thereof the CORPORATION will endeavor to mail sixty (60) days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the CORPORATION.

NAME INSURED EMPLOYER: CITY OF HUNTSVILLE, ALABAMA
ADDRESS: P.O. BOX 308, HUNTSVILLE, AL 35804
POLICY NUMBER: SP 4047077
TYPE OF INSURANCE: Specific Excess Workers' Compensation and Employers' Liability Insurance
LOCATION(S): ALABAMA
POLICY LIABILITY PERIOD: October 01, 2012 through October 01, 2013
POLICY PAYROLL
REPORTING PERIOD: October 01, 2012 through October 01, 2013

Self-Insured Retention Per Occurrence for Firefighters	\$ 750,000
Self-Insured Retention Per Occurrence for Police Officers	\$ 750,000
Self-Insured Retention Per Occurrence for All Other	\$ 600,000

Maximum Limit of Indemnity Per Occurrence	Statutory
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Employers' Liability Maximum Limit of Indemnity Per Occurrence	\$ 1,000,000
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SAFETY NATIONAL CASUALTY CORPORATION

By: Gene R. Maier
Senior Vice President of Workers' Compensation Underwriting
Date: September 07, 2012

ALABAMA NOTICE REQUIREMENTS

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

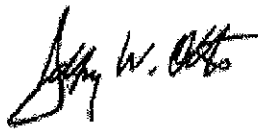
NOTICE OF CANCELLATION, NON-RENEWAL OR MATERIAL CHANGE

If either the EMPLOYER or the CORPORATION intends to cancel or not renew or materially change this Agreement, sixty (60) days written notice by registered or certified mail must be given to the other party of the Agreement and to the State of Alabama, Department of Industrial Relations, Workmen's Compensation Division, Industrial Relations Building, Montgomery, Alabama 36130.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4047077, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to CITY OF HUNTSVILLE, ALABAMA, dated October 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

SPECIFIC EXCESS
WORKERS' COMPENSATION AND
EMPLOYERS' LIABILITY INSURANCE AGREEMENT

SAFETY NATIONAL CASUALTY CORPORATION

ST. LOUIS, MISSOURI

(Hereinafter called the CORPORATION)

In consideration of the payment of premium and subject to all the terms of this Agreement, hereby agrees with the EMPLOYER named in the Declarations (hereinafter called the EMPLOYER), as follows:

A. Coverage of Agreement

This Agreement applies only to Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation or Employers' Liability Laws of:

- (1) the State(s) designated in the Declarations, or
- (2) other State(s), provided that the Loss shall not be greater than it would have been had liability been imposed by the State(s) specified in the Declarations,

on account of bodily injury by accident or bodily injury by occupational disease due to Occurrences taking place within the Liability Period to Employees of the EMPLOYER engaged in the business operations specified in the Declarations and all other operations necessary, incidental, or appurtenant thereto. Bodily injury includes resulting death.

The inclusion of more than one EMPLOYER in the Declarations shall not increase the EMPLOYER's Self-Insured Retention nor the CORPORATION's Maximum Limit of Indemnity.

The insurance afforded by this Agreement applies to operations in the State(s) specified in the Declarations, including, however, incidental operations conducted by Employees who are regularly engaged in operations in the specified State(s), but who may be temporarily outside the specified State(s).

B. Insurance Under This Agreement

(1) Specific Excess Insurance

With respect to each Occurrence taking place within a Liability Period, the EMPLOYER shall retain as its own Loss, as defined below, the amount specified in Item 7 of the Declarations, and the CORPORATION agrees to reimburse the EMPLOYER only for such Loss in excess of such Self-Insured Retention, subject to the Maximum Limit of Indemnity Per Occurrence, or the Employers' Liability Maximum Limit of Indemnity Per Occurrence, whichever is applicable, as specified in Item 8 of the Declarations. The separate Employers' Liability Maximum Limit of Indemnity Per Occurrence shall not operate, in any case, to increase the total amount the CORPORATION agrees to reimburse the EMPLOYER for Loss per any one Occurrence as per Item 8(a) of the Declarations.

C. Definitions

- (1) "Loss" - shall mean actual payments, less recoveries, legally made by the EMPLOYER to Employees and their dependents in satisfaction of: (a) statutory benefits, (b) settlements of suits and claims, and (c) awards and judgments. Loss shall also include Claim Expenses, paid by the EMPLOYER, as defined in Paragraph (2) of this Section. The term Loss shall not include the items specifically excluded by Paragraph (3) of this Section.
- (2) "Claim Expenses" shall mean court costs, interest upon awards and judgments and the reasonable allocated costs of investigation, adjustment, defense, and appeal, including pension or appeal bond costs (provided that the prosecution of such appeal and/or the posting of such pension or appeal bond is approved by the CORPORATION) of claims, suits or proceedings brought against the EMPLOYER under the Workers' Compensation or Employers' Liability Laws of the State(s) designated in the Declarations, or other State(s), as provided in Section A, even though such claims, suits, proceedings or demands are wholly groundless, false or fraudulent. Claim Expenses shall not include fees to the EMPLOYER's Service Company.
- (3) "Exclusions from Loss" - shall refer to the following amounts paid by the EMPLOYER, and specifically excluded from the term Loss:
 - (a) Salaries, wages, and remuneration provided to Employees;
 - (b) Fees to the EMPLOYER's Service Company and/or costs of self-administration of claims;
 - (c) Punitive or exemplary damages as they relate to claims made under the Employers' Liability coverage provided by this Agreement;
 - (d) Fines or penalties assessed against the EMPLOYER for any violation by the EMPLOYER, or its representative(s), of any statute or regulation, unless the fines or penalties result from a reasonable dispute as to Workers' Compensation benefits owed by the EMPLOYER;
 - (e) Assessments and taxes made upon the EMPLOYER as self-insurer whether imposed by statute, regulation, or otherwise;

(f) Any amounts required to be paid by the EMPLOYER because of:

- 1) Serious and willful misconduct of the EMPLOYER, including intentional torts and intentional acts or omissions resulting in injury, acts or omissions taken with reckless disregard of the possible occurrence of an injury or acts or omissions taken that are substantially certain to result in injury, regardless of whether or not said actions may be classified in the State(s) as intentional torts,
 - 2) Coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any Employee and/or related personnel practices, policies, acts or omissions by the EMPLOYER,
 - 3) Knowingly employing an Employee in violation of law,
 - 4) Rejection by the EMPLOYER of any Workers' Compensation Law,
 - 5) Failure to comply with any health, safety, or notification law or regulation,
 - (g) Loss voluntarily assumed by the EMPLOYER under any contract or agreement, whether express or implied;
 - (h) Loss for which the EMPLOYER carries a full coverage Workers' Compensation and Employers Liability policy; and
 - (i) Any amount owed by the EMPLOYER pursuant to provision of any law that provides non-occupational disability benefits.
- (4) "Occurrence" - shall mean accident. In addition, bodily injury by occupational disease must be caused or aggravated by the conditions of employment and shall be deemed to have occurred on the last day of the last exposure to those conditions of employment causing or aggravating such injury by occupational disease, or such dates as is otherwise established by the Workers' Compensation and Employers' Liability Laws of the appropriate State(s). Bodily injury by occupational disease sustained by each Employee shall be deemed to be a separate Occurrence unless such disease results directly from an accident.
- (5) "Employee" - as respects liability imposed upon the EMPLOYER by the Workers' Compensation Law of any State, the word Employee shall mean any person performing work which renders the EMPLOYER liable under the Workers' Compensation Law of a State named in Item 2 of the Declarations, which is the State of the injured Employee's normal employment, for bodily injuries or occupational disease sustained by such person.
- (6) "State" - shall mean any state, territory, or possession of the United States of America and the District of Columbia.

D. Reimbursement

If the EMPLOYER pays any Loss incurred in any Liability Period in excess of the Self-Insured Retention Per Occurrence, the CORPORATION shall reimburse the EMPLOYER upon receipt of a formal proof of loss and other evidence acceptable to the CORPORATION of such payment. Within a reasonable

period of time, reimbursement payments shall be made by the CORPORATION.

The CORPORATION shall have, and may exercise at any time, and from time to time, the right to offset any balance or balances, whether on account of premiums, Losses or otherwise, due from the EMPLOYER to the CORPORATION against any balance or balances due from the CORPORATION to the EMPLOYER under this Agreement.

E. Liability Period

The liability of the CORPORATION for Loss hereunder shall be determined separately for each Liability Period. The initial Liability Period shall commence at 12:01 A.M. on the Effective Date and end at 12:01 A.M. on the Anniversary Date, designated in Items 3 and 4 respectively, of the Declarations. Each succeeding Liability Period shall begin concurrently with the end of the previous Liability Period and continue for the same number of consecutive months as the initial Liability Period. All time is stated in local time for the State(s) designated in the Declarations.

In the event the EMPLOYER fails to give express written intent to continue coverage at the end of a given Liability Period, the Agreement shall be deemed terminated, and the Anniversary Date shall serve as the termination date of the Agreement.

F. Premium

Upon acceptance of the Agreement and at the beginning of each Payroll Reporting Period, as specified in Item 12 of the Declarations, the EMPLOYER shall pay to the CORPORATION the amount of the Deposit Premium specified in Item 11 of the Declarations. The EMPLOYER shall pay premiums when due. The Deposit Premium shall be held by the CORPORATION until the expiration of the Payroll Reporting Period. Within thirty (30) days after the close of each Payroll Reporting Period, the EMPLOYER shall render to the CORPORATION a report, upon a form satisfactory to the CORPORATION, exhibiting, by classification, the amount of such remuneration earned by Employees during such reporting period, and the EMPLOYER shall therewith pay to the CORPORATION the excess of the Earned Premium over the Deposit Premium previously paid. In case the Deposit Premium paid exceeds the Earned Premium, the CORPORATION shall return to the EMPLOYER the amount of such excess or give appropriate credit, subject to the proportion of Minimum Premium for the Liability Period in the case of multi-year Liability Periods.

Upon expiration of a Liability Period, a summary of voluntary payroll reports for such Liability Period shall be made to determine the Earned Premium under this Agreement. In no event, however, shall the Earned Premium in respect of any Liability Period be less than the Minimum Premium specified in the Declarations.

For each Payroll Reporting Period, the CORPORATION shall compute the Earned Premium as follows:

- (1) Remuneration - The remuneration earned, or man-hours accumulated, during such period by all Employees, including volunteers engaged in each classification covered

by this Agreement shall be computed in accordance with the rules set forth in the appropriate Manual of Workers' Compensation and Employers' Liability Insurance.

(2) Manual and Standard Premium – The remuneration, or man-hours, so computed for Employees engaged in each such classification shall be multiplied by the Manual Rate per \$100 of remuneration/man-hour, in effect at the inception of each Payroll Reporting Period, and the products so obtained shall be added together to determine the Manual Premium. An Experience Modification Factor may be applied to the Manual Premium to determine a Standard Premium. Such Experience Modification Factor shall be determined at the inception of this Agreement and is subject to annual review and possible revision. A Standard Premium takes precedence over any Manual Premium.

(3) Earned Premium – Against the Manual or Standard Premium shall be applied the Premium Rate, as specified in Item 9 of the Declarations, to determine the appropriate Earned Premium.

This Agreement is issued by the CORPORATION and accepted by the EMPLOYER subject to the agreement that, in the event of any change in the Rates per \$100 remuneration/man-hour, as stated in Item 6 of the Declarations, because of any general rate increase or any legislative amendment affecting the benefits under the Workers' Compensation Law of any State(s) named in Item 2 of the Declarations, such change, upon the effective date thereof, shall be, without endorsement, made a part of this Agreement.

G. Self-Insurer

The EMPLOYER, by acceptance of this Agreement, warrants that it is a duly qualified Self-Insurer in the State(s) designated in the Declarations, and will continue to maintain such qualifications during the currency of this Agreement. In the event the EMPLOYER should at any time while this Agreement is in force terminate such qualifications or if they should be cancelled or revoked, such loss of qualifications shall operate as notice of cancellation of this Agreement by the EMPLOYER, subject to the additional terms of the Cancellation Section of this Agreement.

H. Service and Administration

This Agreement contemplates the concurrent and continued existence of a separate service agreement between the EMPLOYER and the Service Company, its designated representative, named in Item 5 of the Declarations, providing services approved by the CORPORATION. The EMPLOYER agrees that its Service Company shall furnish the CORPORATION with quarterly loss runs concurrent with each Liability Period of this Agreement. The provision of loss runs alone does not relieve the EMPLOYER of its reporting obligations as set forth in Section I of this Agreement. In addition, the electronic transfer of loss information by a Service Company of the EMPLOYER shall not constitute notice of a claim.

Cancellation of the service agreement between the Service

Company and the EMPLOYER shall operate as a notice of cancellation of this Agreement by the EMPLOYER, subject to the additional terms of the Cancellation Section of this Agreement. Any change in service companies must be immediately communicated to and approved by the CORPORATION, and this obligation shall survive the termination or non-renewal of this Agreement.

I. Prompt Reporting of Claims

As soon as the EMPLOYER becomes aware, the EMPLOYER must provide prompt notice to the CORPORATION of: (a) any claim or action commenced against the EMPLOYER which exceeds, or is likely to exceed, fifty percent (50%) of the Self-Insured Retention Per Occurrence specified in Item 7 of the Declarations and (b) the reopening of any claim in which a further award might involve liability of the CORPORATION under this Agreement.

In addition, the following categories of claims shall be reported to the CORPORATION immediately, regardless of any question of potential involvement of the CORPORATION:

1. Fatalities;
2. Paraplegics and quadriplegics;
3. Serious burns, defined as 2nd or 3rd degree burns involving 25% or more of the body;
4. Brain injury;
5. Spinal cord injury;
6. Amputation of a major extremity; and
7. Any Occurrence which results in a serious injury to two or more Employees.

If the CORPORATION is prejudiced by the EMPLOYER's failure to provide prompt notice of a claim in accordance with the requirements set forth above and/or as otherwise provided by the Law of any State(s), the CORPORATION may elect to deny coverage for Loss arising from such claim. To constitute prompt, sufficient notice, the EMPLOYER must provide complete information as to the details of the injury, disease, or death.

J. Defense of Claims

The EMPLOYER shall investigate and settle or defend all claims and shall conduct the defense and appeal of all actions, suits, and proceedings commenced against it. The EMPLOYER shall forward promptly to the CORPORATION copies of any pleadings or reports as may be requested. The CORPORATION shall not be obliged to assume charge of the investigation, defense, appeal or settlement of any claim, suit, or proceeding brought against the EMPLOYER, but the CORPORATION shall be given the opportunity to investigate, defend, or participate with the EMPLOYER in the investigation and defense of any claim, if, in the opinion of the CORPORATION, its liability under this Agreement might be involved.

K. Good Faith Claims Administration

The EMPLOYER shall use diligence, prudence, and good faith in the investigation, defense, pursuit of recovery from others and settlement of all claims. The EMPLOYER shall not

unreasonably refuse to settle any claim which, in the exercise of sound judgment with respect to the entire claim, should be settled, provided, however, that the EMPLOYER shall not make any payment or agree to any settlement for any sum which would involve the limits of the CORPORATION's liability hereunder without the approval of the CORPORATION.

If the CORPORATION is prejudiced by the EMPLOYER's failure to exercise diligence, prudence, and good faith, the CORPORATION may elect to disclaim coverage for Loss from such claim.

L. Inspection and Audit

The CORPORATION shall have the right, but not the obligation, to inspect the premises and equipment and/or to audit the books and records of the EMPLOYER and of its agents and representatives, including all records relating to payroll and claims matters, at any reasonable time during the period of this Agreement and within three (3) years after final settlement of all claims due to Occurrences happening during the term of this Agreement. An audit to determine Manual or Standard Premium shall supersede any and all prior voluntary payroll reports by the EMPLOYER, and will be used to determine the final adjustment of premiums due to the CORPORATION. Should a determination be made that additional audit premium is due to the CORPORATION, the due date for payment of such audit premium shall be thirty (30) days after the date of billing.

M. Other Insurance

If the EMPLOYER carries other valid and collectible insurance, reinsurance, or indemnity with any other insurer or reinsurer covering a Loss also covered by this Agreement (other than insurance or reinsurance that is purchased to apply in excess of the sum of the Self-Insured Retention and the Maximum Limits of Indemnity hereunder), the insurance afforded by this Agreement shall apply in excess of and shall not contribute with such other insurance or reinsurance.

N. Recovery from Others

The EMPLOYER agrees to prosecute any and all valid claims the EMPLOYER may have against any other party or source that may mitigate any Loss under this Agreement and return to the CORPORATION any amount so recovered, less the reasonable expense of collecting such amounts.

The CORPORATION shall have the EMPLOYER's rights to prosecute any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. The EMPLOYER agrees that it will assist the CORPORATION in any prosecution of any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. Any amounts recovered by the EMPLOYER or the CORPORATION from any party or source that may mitigate any Loss under this Agreement shall first be used to pay the expenses of collection and to reimburse the CORPORATION for any amount it may have paid the EMPLOYER for the Liability Period concerned, and all

remaining amounts collected shall be paid to the EMPLOYER.

O. Change in Agreement

No condition, provision, or declaration of this Agreement shall be waived or altered at any time, except as specified in Section F, except by endorsement signed by the President or a Senior Vice President and the Secretary or an Assistant Secretary of the CORPORATION.

This Agreement hereby terminates, supersedes, and replaces all previously issued Workers' Compensation Insurance or Reinsurance Agreements, as amended, between the EMPLOYER and the CORPORATION.

If terms of this Agreement are in conflict with any law applicable to this Agreement, this statement amends this Agreement to conform to such law. In addition, in the event any terms are in conflict with applicable laws, the remaining terms of the Agreement shall be enforceable.

P. Cancellation

This Agreement may be cancelled by either party giving the other party written notice not less than sixty (60) days prior to the date of cancellation, except, that if the CORPORATION cancels for non-payment of any premium, the cancellation shall become effective ten (10) days after dispatch of notice by the CORPORATION. The date of cancellation then becomes the termination date of the final Liability Period. This Agreement does not apply to Loss as a result of Occurrences taking place after the effective date of such cancellation.

If cancellation is effected by the EMPLOYER, the Manual or Standard Premium shall be determined by the short rate tables used for casualty insurance, and the Earned Premium shall be the product of the Premium Rate (Item 9) times the Manual or Standard Premium (or the Total Annual Remuneration) so arrived at, but not less than the Minimum Premium specified in the Declarations.

If cancellation is effected by the CORPORATION for non-payment of premium, the EMPLOYER shall pay the CORPORATION Earned Premium for the period up to the date of cancellation.

If the CORPORATION cancels for any other reason, the Manual or Standard Premium (or the Total Annual Remuneration) shall be determined upon a pro rata basis and the Earned Premium adjusted in accordance therewith.

Q. Assignment

An assignment of interest under this Agreement will not bind the CORPORATION unless an endorsement signed by the President or a Senior Vice President and the Secretary or an Assistant Secretary of the CORPORATION assigning interest under this Agreement is issued by the CORPORATION.

R. Bankruptcy or Insolvency of Employer

The bankruptcy or insolvency of the EMPLOYER will not relieve the CORPORATION or the EMPLOYER of its duties and liabilities under this Agreement. After payments have

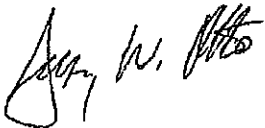
been made by or on behalf of the EMPLOYER, reimbursements due under this Agreement will be made by the CORPORATION as if the EMPLOYER had not become bankrupt or insolvent, but not in excess of the CORPORATION's limit of indemnity.

S. Sole Representative

If more than one EMPLOYER is named in Item 1 of the Declarations, or an endorsement related thereto, the EMPLOYER first named in Item 1, or a related endorsement, will act on behalf of all EMPLOYERS to give or receive notice of cancellation, to receive return premium or reimbursement, or to request changes in this Agreement.

T. Acceptance

By acceptance of this Agreement, the EMPLOYER agrees



Secretary

that the statements in this Agreement, in the Declarations, and in the application are the EMPLOYER's representations; that this Agreement is issued in reliance upon such representations; that this Agreement embodies all agreements existing between the EMPLOYER and the CORPORATION, or any of its agents, relating to this excess insurance, and that full compliance by the EMPLOYER with all terms of this Agreement is a condition precedent to the CORPORATION's liability hereunder.

IN WITNESS WHEREOF, SAFETY NATIONAL CASUALTY CORPORATION has caused this Agreement to be executed by printing below the facsimile signatures of its President and Secretary and by the actual signature of its Secretary on the Declarations.



President